Scancell Holdings plc

REPORT AND CONSOLIDATED
FINANCIAL STATEMENTS

for the year ended 30 April 2011

Scancell Holdings plc
COMPANY INFORMATION

DIRECTORS

Professor L Durrant
Mr N J F Evans
Dr M G W Frohn
Dr R M Goodfellow
Mr T M Rippon
Mr D E Evans

SECRETARY

Mr N J F Evans

REGISTERED OFFICE

Fifth Floor Carmelite
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London
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REGISTERED NUMBER

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AUDITOR

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I am pleased to report on a year of significant progress in bringing our exciting cancer vaccine technology closer to market. Separately, today we have also announced the development of a new vaccine for the treatment of lung cancer and a Placing. The Board believes that the proceeds of the Placing, together with the Company's existing cash resources, will provide sufficient capital to enable the completion of the Phase I trials on our lead product. I will comment further on both of these matters below.

Scancell is a biopharmaceutical company focused on the cancer therapeutics market and is developing a series of DNA vaccines for the treatment of cancer. The Company's products are based on its patented ImmunoBody® platform, which has the potential to overcome many of the limitations of conventional approaches to the development of cancer vaccines.

Financial results

Profit and Loss
The Group made an operating loss for the year of £1,733,749 (2010: £1,805,066). The reduction in direct costs is due to the slower than anticipated recruitment of patients for the clinical trials, which have resulted in mile-stone payments to the CRO, which runs the trials, being delayed.

The overall financial loss for the year was £1,649,225 (2010: £1,737,129)

Balance Sheet
At the end of the year the Group cash balances amounted to £1,110,630 (2010: £2,830,145). The reduced cash reflects the losses that have been incurred.

The Group's net assets at 30th April 2011 amounted to £4,635,742 (2010: 6,047,877).

The ImmunoBody® Technology Platform

Scancell's mission is to develop medications that fight cancer by spurring the body's immune system, a form of treatment that many cancer specialists believe may hold the key to keeping a patient permanently disease-free. Unlike traditional therapies that attack a cancer directly, immunotherapy uses the body's own internal defences to ward off the disease, with the ultimate hope of building up long term resistance to the cancer.

Scancell's ImmunoBody® vaccines generate potent killer T-cells that target and eliminate tumours. Each ImmunoBody vaccine can be designed to target a particular cancer in a highly specific manner, offering the potential for enhanced efficacy and safety compared with more conventional approaches.

In addition to developing its own products, the Company intends to license ImmunoBody® on a target by target basis to companies working in the cancer vaccine field. The manipulation and enhancement of human immune systems is also relevant to the treatment of other diseases such as chronic infectious disease. Although Scancell does not intend to venture outside the oncology arena itself, the Company intends to license ImmunoBody® to companies working in other therapeutic areas.

Collaboration with immatics biotechnologies GmbH

On 29 June 2010 Scancell entered into a research collaboration agreement with immatics biotechnologies GmbH ("immatics") to explore the development of novel ImmunoBody® vaccines for colorectal cancer. As part of the agreement, colorectal cancer-specific TUMAPs (Tumour Associated Peptides) will be incorporated into the ImmunoBody® platform to create vaccines targeted towards colorectal cancer. If the research project is successful, immatics and Scancell will explore additional product candidates.

Collaboration with ImmuneRegen BioSciences, Inc.

On 4 June 2010 Scancell announced that a treatment utilising a DNA vaccine based on ImmunoBody®, in combination with ImmuneRegen BioSciences, Inc.®'s lead compound, Homspera®, had significantly improved the immune response of the vaccine in an animal model.

Follow-up studies on an ImmunoBody® vaccine targeting the lung cancer antigen NY-ESO-1 combined with Homspera have produced encouraging results in animal models, as announced today.

Product Development

SCIB1 – Melanoma

On 15 June 2010 the Company announced the enrolment and treatment of the first patient in a multicentre Phase I/IIa clinical trial of SCIB1, Scancell's DNA ImmunoBody® vaccine for the treatment of melanoma. The trial will evaluate the safety and tolerability of SCIB1 in patients with late stage melanoma. The trial, which is currently based at five leading UK hospital centres in Nottingham, Manchester, Leeds, Southampton and Newcastle and being run by world-leading oncology CRO, PharmaNet Development Group, is expected to be completed in early 2013. The Company has also appointed Oxford Immunotec to collect immune response data during the trial.

Advanced melanoma currently has a very poor prognosis with late stage disease having a median survival of approximately six months. The Phase I trial will be in nine Stage III/IV malignant melanoma patients.

Phase II of the clinical trial is expected to commence in 4Q11 and is aimed at generating further immune response data. If positive, this would provide clinical validation for both SCIB1 and the entire ImmunoBody® Platform which, together with the pipeline of pre-clinical vaccine candidates, would enable the Company to position itself for a trade sale to one of the leading pharmaceutical or biotechnology companies operating in the oncology market.

The vaccine will be injected using Ichor Medical Systems' TriGrid™ electroporation delivery device.

Ichor Medical Systems ('Ichor') and Scancell entered into an agreement in July 2009 for the TriGrid™ electroporation device to be used for the delivery of SCIB1 during Scancell's pre-clinical and clinical studies. In vivo electroporation is widely regarded as an effective method of enhancing the potency of DNA vaccines by up to 100 -fold compared to conventional methods of delivery.

Scancell's IP position around SCIB1 has been further strengthened by the signing of a worldwide non-exclusive licensing agreement with the National Institutes of Health (`NIH'), an agency of the United States Department of Health and Human Services, for use of the melanoma antigens TRP-2 and gp100, developed in the laboratory of Steven A. Rosenberg, M.D., Ph.D., at the National Cancer Institute. These antigens will be utilised as key components of SCIB1.

SCIB2 – Lung Cancer

Today Scancell announced encouraging anti-tumour results in animals using its new product, SCIB2. This DNA vaccine is also based on the Company's ImmunoBody® technology and is used in combination with Homspera®, an adjuvant developed by ImmuneRegen BioSciences, Inc.® as mentioned above.

The vaccine stimulates immune responses to the lung cancer antigen NY-ESO-1 and may also have potential utility in oesophageal, liver, gastric, prostate, ovarian and bladder cancers. Unlike classical adjuvants, Homspera® did not enhance the SCIB2 systemic immune response but did make it more effective at the tumour site. This could have profound implications for cancer vaccine therapy.

Licence Agreements

National Institute of Health

On 13 May 2010 the Company announced a worldwide non-exclusive licensing agreement with the National Institutes of Health ('NIH'), an agency of the United States Department of Health and Human Services, for use of the melanoma antigens TRP-2 and gp100, developed in the laboratory of Steven A. Rosenberg, M.D., Ph.D., at the National Cancer Institute. These antigens will be utilized as key components of Scancell's lead ImmunoBody® vaccine for melanoma, SCIB1.

Under the agreement, Scancell has agreed to pay the US Public Health Service an undisclosed upfront fee in addition to certain milestone fees and a royalty on future sales of SCIB1. Scancell will have the right to develop and commercialise its ImmunoBody® vaccines for the treatment of melanoma in humans incorporating epitopes from these targets.

Cancer Research Technology Ltd

On 10 August 2010 Scancell announced an agreement with Cancer Research Technology Ltd ('CRT'), Cancer Research UK's commercialisation and development arm, granting the Company the rights to a human antibody known as 105AD7.

105AD7 is a human monoclonal antibody that mimics the complement regulatory protein, CD55. The antibody was discovered and originally developed at the University of Nottingham with support from Cancer Research UK and has previously been evaluated in clinical trials for osteosarcoma. The agreement will give Scancell a worldwide licence to use 105AD7 for the development of ImmunoBody® vaccines for any immunotherapy indication.

The licence will be restricted to the use of the antibody as a framework for future ImmunoBody® vaccines.

Under the terms of the agreement, Scancell made an upfront payment to CRT and will make further milestone payments as development progresses and royalty payments on future product sales. Scancell will exclusively fund the development work and have sub-licensing rights on agreed terms.

£1.73 million fund raising

In addition to the lung cancer vaccine success above, Scancell has today announced a placing to raise £1.73 million (£1.52 million, net of costs) to provide additional working capital for the Company. The Directors believe that the funds raised will be sufficient to enable the completion of the Phase I clinical trial of the Company's lead therapeutic melanoma vaccine, SCIB1.

After the Phase I clinical trial has been completed, the Company will seek to generate revenues from a commercial deal on the ImmunoBody® technology. However if the Company is unable to generate revenues from a commercial agreement or if it takes longer than expected to reach a commercial agreement on the technology then a further fundraising may be required in mid 2012 in order to provide sufficient working capital to enable completion of the Phase II clinical trial for SCIB1.

Staff

The Board recognises that the progress made over the year would not have been possible without the dedication and determination of all our staff and, on behalf of the directors, I offer our warmest thanks to them.

Outlook

We believe that, following completion of the Placing, we will have sufficient funding to complete the Phase I trial of our melanoma treatment whilst continuing to advance the development of new vaccines for other cancer indications. A successful outcome should present Scancell as an excellent acquisition opportunity with an exit remaining firmly on the agenda following the completion of the Phase II trial, expected in early 2013.

David Evans
Chairman

30th June 2011

The directors submit their report and financial statements of Scancell Holdings plc for the year ended 30 April 2011.

PRINCIPAL ACTIVITY

The principal activity of the Group in the year under review was that of the discovery and development of novel monoclonal antibodies and vaccines for the treatment of cancer. Since April 2009 the company has focussed its activities solely on its vaccine business.

REVIEW OF THE BUSINESS AND FUTURE PROSPECTS

During the year the Group has continued to make strong progress with its lead therapeutic melanoma vaccine SCIB1commencing Phase I/IIa clinical trials on 15th June 2010. It has also secured licensing agreements with the National Institutes of Health (an agency of the United States Department of Health and Human Services) and Cancer Research Technology Ltd (Cancer Research UK's commercialisation and development arm). Strategic collaborations have been made with ImmuneRegen BioSciences, Inc and immatics biotechnologies GmbH

A detailed review is included in the Chairman's statement on page 2

Key performance indicators:
Due to the nature of the business, the key performance indicator used by the Company is the monitoring of income and expenditure against approved budgets.

RESULTS AND DIVIDENDS

The company's results for the year ended 30 April 2011 are shown in the consolidated income statement on page 10. No dividends will be distributed for the year.

DIRECTORS AND THEIR INTERESTS

The present members of the Board, who have served throughout the financial year are detailed below. Their interests in the shares of the Group at 30th April 2011 and 2010 are set out below

	30th April 2011		30th April 2010	
	Issued	Jointly owned	Issued	Jointly owned
Prof L G Durrant	160,696	887,396	160,696	887,396
Mr N J F Evans	310,000	160,000	310,000	160,000
Dr M G W Frohn	Nil	Nil	Nil	Nil
Dr R M Goodfellow	20,000	644,384	20,000	644,384
Mr T M Rippon	250,416	Nil	250,416	Nil
Mr D E Evans	500,000	Nil	500,000	Nil

Dr M G W Frohn is a director of Oxford Technology Management Limited which manages funds which between them hold 1,275,922 shares (2010: 1,275,922)

The Chairman of the Company, Mr D E Evans has been granted 304,000 options in Scancell Holdings plc exercisable at 60 pence per share. These options vest and become capable of exercise on the sale of shares in the company according to the following schedule:

Net exit value of sale	Number of shares over which option granted
Between £5m and £15m	76,000
Between £15m and £25m	152,000
Over £25m	304,000

Professor Lindy Durrant and Dr Richard Goodfellow have been granted 385,000 and 288,000 options, respectively in Scancell Holdings plc, exercisable at 45 pence per share. These options vest and become capable of exercise on the sale of the company for a value in excess of £25m.

SUBSTANTIAL SHAREHOLDINGS

The directors have been notified, or are aware of, the following interests in 3% or more of the ordinary share capital of the company (excluding directors) at 30th June 2011

	Ordinary shares at 1p each	
	Number	Percentage
HSBC Global Custody Nominee (UK) Limited	1,527,778	9.58%
Hygea VCT PLC	1,483,973	9.30%
Newedge Group SA	1,034,194	6.48%
Laytons Trustee Company and L Durrant	887,396	5.56%
J G Helfenstein	885,400	5.55%
Oxford Technology VCT PLC	833,330	5.22%
Laytons Trustee Company and RM Goodfellow	644,384	4.04%
Share Nominees Limited	627,568	3.93%
T Walthie	509,988	3.20%
Alliance Trust Pensions Limited	500,000	3.13%

STRUCTURE OF THE COMPANY'S CAPITAL

The Company's share capital is traded on the AIM market and comprises a single class of ordinary shares of 1pence each, each carrying one voting right and all ranking equally with each other. At 30 April 2011 15,951,790 shares were allotted and fully paid. Details of movements in the Company's share capital during the period are shown in Note 14 to the financial statements. Details of employee share option schemes are set out in Note 16 to the financial statements. Participants in employee share schemes have no voting or other rights in respect of the shares subject to their awards until the options are exercised, at which time the shares rank pari passu in all respects with shares already in issue.

CREDITORS' PAYMENT POLICY

It is the group's policy to establish payment terms with suppliers and to adhere to those terms, provided that the goods and services are in accordance with the agreed terms and conditions.

At 30 April 2011 the group average trade creditor was 23 days (2010: 50days).

DIRECTORS' INDEMNITY

The Directors and officers of the Company are insured against any claims arising against them for any wrongful act in their capacity as a Director, officer or employee of the Company, subject to the terms and conditions of the policy.

CORPORATE GOVERNANCE

The Directors acknowledge the importance of the principles set out in the Combined Code issued by the Committee on Corporate Governance (the "Combined Code"). Although the Combined Code is not compulsory for AIM quoted companies, the Directors have applied the principles as far as practicable and appropriate for a relatively small public company as follows:

Your Board comprises a non-executive Chairman, two executive directors and three further non executive directors. Your Board meets regularly to consider strategy, performance, approval of major capital projects and the framework of internal controls. In addition the executive Directors meet on a monthly basis for operational meetings. To enable the Board to discharge its duties, all Directors receive appropriate and timely information. Briefing papers are distributed to all Directors in advance of Board meetings. All Directors have access to the advice and services of the Company Secretary, who is responsible for ensuring that the Board procedures are followed and that applicable rules and regulations are complied with. The appointment and removal of the Company Secretary is a matter for the Board as a whole. In addition, procedures are in place to enable the Directors to obtain independent professional advice in the furtherance of their duties, if necessary, at the Company's expense. Subject to the terms of the executive Directors' service contracts, Directors are subject to retirement by rotation and re-election by the Shareholders at Annual General Meetings on a three-year cycle, as required by the Articles of Association and any Director appointed by the Board shall hold office only until the next Annual General Meeting and shall then be eligible for election.

The Directors have established Audit and Remuneration Committees.. All non- executive directors are members of the Audit and Remuneration Committees.

The Audit Committee has Nigel Evans as Chairman, and has primary responsibility for monitoring the quality of internal controls ensuring that the financial performance of the Company is properly measured and reported on and reviewing reports from the Company's auditors relating to the Company's accounting and internal controls, in all cases having due regard to the interests of Shareholders. The Audit committee meets at least twice a year.

The Remuneration Committee has Matthew Frohn as Chairman, and will review the performance of the executive directors and determine their terms and conditions of service, including their remuneration and the grant of options, having due regard to the interests of Shareholders. The Remuneration Committee meets no less than once every year.

PRINCIPAL RISKS AND UNCERTAINTIES

The principle risks facing Scancell are threefold: a funding risk, a technical risk and a commercial risk.

The funding risk relates to the funding required to take SCIB1 into humans. On 30th June 2011 the Company announced a placing to raise £1.73m (£1.52m net of costs) to provide additional working capital for the Company. The Directors believe that the funds raised will be sufficient to enable the completion of the Phase I clinical trial of the Company's lead therapeutic melanoma vaccine, SCIB1.

The technical risk relates to the potential for the underlying scientific assumptions and hypotheses that underpin both Immunobody and SCIB1 are unable to be validated in human clinical trials.

The commercial risk relates to the potential for not being able to secure any value creating commercial agreement even if the science is validated

DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

UK Company law requires the directors to prepare Group and Company Financial Statements for each financial year. Under that law the directors are required to prepare Group financial statements in accordance with

International Financial Reporting Standards ("IFRS") as adopted by the EU and have elected to prepare the company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

The group financial statements are required by law and IFRS adopted by the EU to present fairly the financial position and performance of the group; the Companies Act 2006 provides in relation to such financial statements that references in the relevant part of that Act to financial statements giving a true and fair view are references to their achieving a fair presentation.

The company financial statements are required by law to give a true and fair view of the state of affairs of the company.

In the company financial statements, the directors are required to:

a select suitable accounting policies and then apply them consistently;
b make judgements and estimates that are reasonable and prudent;
c for the company financial statements, state whether they have been prepared in accordance with IFRSs adopted by the EU;
d prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the requirements of the Companies Act 2006. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS
The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information (as defined by section 418 of the Companies Act 2006) of which the auditors are unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

AUDITORS
The auditors Champion Accountants LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

By approval of the Board on 30th June 2011

David Evans
Chairman

Independent Auditor's Report to the Shareholders of Scancell Holdings PLC

We have audited the financial statements of Scancell Holdings PLC for the year ended 30 April 2011 which compromise the group income statement and statement of comprehensive income, the group and parent company statement of financial position, the group statement of cash flow, the group and parent company statement of the changes in equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the company's members, as a body, in accordance with Sections 495 and 496 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/UKNP.

Opinion

In our opinion:

- the financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the financial statements have been prepared in accordance with the Companies Act 2006;
- the financial statements give a true and fair view of the state of the company's affairs as at 30 April 2011, and of its loss for the year then ended; and
- the information given in the Directors' Report is consistent with the financial statements.

Without qualifying our opinion, we draw attention to Note 24 in the financial statements which indicates the existence of a material uncertainty which may cast doubt about the Company's ability to continue as a going concern.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Champion Accountants LLP

Mr M P Jackson — *30th June 2011*

Senior Statutory Auditor, for and on behalf of
Champion Accountants LLP
2nd Floor, Refuge House
33-37 Watergate Row,
Chester CH1 2LE

Scancell Holdings plc
CONSOLIDATED INCOME STATEMENT
for the year ended 30 April 2011

	Notes	2011 £	2010 £
REVENUE		-	-
Cost of sales		(848,629)	(1,091,351)
Gross loss		(848,629)	(1,091,351)
Administrative expenses		(885,120)	(751,365)
		(1,733,749)	(1,842,716)
Other operating income		-	37,650
OPERATING (LOSS)	3	(1,733,749)	(1,805,066)
Interest receivable and similar income		9,613	2,427
(LOSS) BEFORE TAXATION		(1,724,136)	(1,802,639)
Taxation	4	(74,911)	(65,510)
(LOSS) AFTER TAXATION	15	(1,649,225)	(1,737,129)
EARNINGS PER ORDINARY SHARE (pence)	5		
Basic		(10.4)p	(16.2)p
Diluted		(10.4)p	(16.2)p

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30th APRIL 2011

Loss for the year	(1,649,225)	(1,737,129)

All results relate to continuing activities.

Scancell Holdings plc

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 30th April 2011

	Attributable to equity holders of the Group			
	Share capital £	Share Premium Account £	Retained earnings £	Total Equity £
At 1st May 2010	158,733	8,321,808	(2,432,664)	6,047,877
(Loss) for the year			(1,649,225)	(1,649,225)
Share issue	785	47,215		48,000
Share option costs			189,090	189,090
At 30th April 2011	159,518	8,369,023	(3,892,799)	4,635,742

Scancell Holdings plc
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 April 2011

	Notes	2011 £	2010 £
ASSETS			
Non-current assets			
Plant and machinery	9	98,933	131,763
Goodwill	10	3,415,120	3,415,120
		3,514,053	3,546,883
Current assets			
Trade and other receivables	12	132,846	122,636
Cash and cash equivalents		1,110,630	2,830,145
		1,243,476	2,952,781
TOTAL ASSETS		4,757,529	6,499,664
LIABILITIES			
Current Liabilities			
Trade and other payables	13	(121,787)	(451,787)
TOTAL LIABILITIES		(121,787)	(451,787)
NET ASSETS		4,635,742	6,047,877
SHAREHOLDERS' EQUITY			
Called up share capital	14	159,518	158,733
Share premium	15	8,369,023	8,321,808
Profit and loss account	15	(3,892,799)	(2,432,664)
TOTAL SHAREHOLDERS' EQUITY		4,635,742	6,047,877

These financial statements were approved by the directors and authorised for issue on 30th June, 2011 and are signed on their behalf by:

David Evans
Director

Scancell Holdings plc

COMPANY STATEMENT OF FINANCIAL POSITION
As at 30 April 2011

	Notes	2011 £	2010 £
ASSETS			
Non-current assets			
Investments	11	4,561,829	4,561,829
		4,561,829	4,561,829
Current assets			
Trade and other receivables	12	3,404,729	3,570,782
Cash and cash equivalents		7,613	177,612
		3,412,342	3,748,394
TOTAL ASSETS		7,974,171	8,310,223
LIABILITIES			
Current Liabilities			
Trade and other payables	13	(41,371)	(131,505)
TOTAL LIABILITIES		(41,371)	(131,505)
NET ASSETS		7,932,800	8,178,718
SHAREHOLDERS' EQUITY			
Called up share capital	14	159,518	158,733
Share premium	15	8,369,023	8,321,808
Profit and loss account	15	(595,741)	(301,823)
TOTAL SHAREHOLDERS' EQUITY		7,932,800	8,178,718

These financial statements were approved by the directors and authorised for issue on 30th June, 2011 and are signed on their behalf by:

David Evans
Director

Scancell Holdings plc

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 30 April 2011

	Notes	2011 £	2010 £
Net cash outflow from operating activities	19	(1,842,219)	(1,504,392)
Returns on investment and servicing of finance	20	9,613	2,427
Taxation		65,510	190,376
Capital expenditure	20	(419)	(72,148)
		(1,767,515)	(1,383,737)
Financing	20	48,000	2,694,812
Increase/(Decrease) in cash in the period		(1,719,515)	1,311,075

Reconciliation of net cash flow to movement in net funds

Increase/(Decrease) in cash in the period	(1,719,515)	1,311,075
Change in net funds resulting from cashflows	(1,719,515)	1,311,075
Movement in net funds in the year	(1,719,515)	1,311,075
Net funds at 1 May	2,830,145	1,519,070
Net funds at 30 April	1,110,630	2,830,145

1 BASIS OF PREPARATION

These financial statements were approved by the board of directors on 30th June 2011.

These financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRS'), as adopted by the European Union, and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

At the date of authorisation of these financial statements, the following Standards and Interpretations which have not been applied in these financial statements were in issue but not yet effective:

- IAS24 Related Party Disclosures
- IFRS9 Financial Instruments
- IFRIC19 Extinguishing Financial Liabilities with Equity Instruments

The directors anticipate that the adoption of these Standards and Interpretations in future periods will have no material impact on the financial statements of the Group when the relevant standards and interpretations come into effect.

The preparation of financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the accounting policies. The notes to the financial statements set out areas involving a higher degree of judgement or complexity, or areas where assumptions are significant to the financial statements such as intangible assets. Although these estimates are based upon management's best knowledge of the amount event or actions, actual results may ultimately differ from those estimates.

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

BUSINESS COMBINATIONS
The financial statements incorporate the financial statements of the Company and its subsidiary. Unrealised gains on transactions between the Group and its subsidiary are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group since date of transition. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The excess of the cost of the acquisition over the fair value of assets and liabilities is recorded as goodwill. If the cost of the acquisition is less than the fair value of the net assets of the subsidiary acquired the difference is recognised directly in the income statement.

Subsidiary:
Subsidiary is an entity controlled by the Company. Control exists when the Company has the power, directly or indirectly (but normally through voting rights granted through the Company's shareholdings), to govern the financial and operating policies of an entity to obtain benefits from its activities. The financial statements of subsidiary are included in the consolidated financial statements.

Acquisitions:
On acquisition, the assets and liabilities of a subsidiary, including identifiable intangible assets, are measured at their fair value at the date of acquisition. Any excess of the cost of acquisition over the fair value of the identifiable net assets acquired is recorded as goodwill. Goodwill is reviewed for impairment annually and any impairment is recognised immediately in the income statement. The Directors have carried out an impairment review of goodwill carried forward at the balance sheet date and do not believe that an adjustment for impairment is necessary.

The results and cash flows relating to the business are included in the consolidated accounts from the date of combination.

REVENUE
Revenue represents net invoiced sales of goods excluding Value Added Tax.

TANGIBLE FIXED ASSETS
Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life

Plant and machinery	- 25% on reducing balance
Computer Equipment	- 33% on reducing balance

DEFERRED TAX
Deferred Tax is provided in full on timing differences which result in an obligation at the balance sheet date, to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based upon current tax rates and law. Timing differences arise from inclusion of items of income and expenditure in tax computations in periods different from those in which they are included in the financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they are recovered. Deferred tax assets and liabilities are not discounted.

RESEARCH AND DEVELOPMENT
Expenditure on research and development is written off in the year in which it is incurred.

An internally generated asset arising from the group's development activities is only recognised if all of the following criteria are met:
- technical feasibility of completing the intangible asset so that it will be available for sale
- intention to complete the intangible asset and use or sell it
- ability to use or sell the intangible asset
- the intangible asset will generate future economic benefit
- resources are available both technically and financially in order to complete the development.

In the case of development projects undertaken by the group, regulatory and other uncertainties generally mean that such criteria are not met. Where no internally generated intangible asset can be recognised, development expenditure is recognised as an expense in the period in which it is incurred.

HIRE PURCHASE AND LEASING COMMITMENTS
Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

FOREIGN CURRENCIES
Foreign currency assets and liabilities are converted to sterling at the rates of exchange ruling at the end of the financial year. Transactions in foreign currencies are converted to sterling at the rates of exchange ruling at the transaction date. All of the resulting exchange differences are recognised in the profit and loss account as they arise.

GRANTS RECEIVED
Grants are recognised as income over the period necessary to match them with the related costs which they are intended to compensate.

CASH
Cash includes cash-in-hand, deposits held at call with banks, and bank overdrafts. Bank overdrafts are shown within current liabilities on the balance sheet.

EQUITY
Equity comprises the following:
- Share capital represents the nominal value of equity shares.
- Share premium represents the excess over nominal value of the fair value of consideration received for equity shares, net of expenses of the share issue.
- Retained earnings include all current and prior period results as disclosed in the income statement.
- Share-based payment reserve is the corresponding entry to the expense arising from equity-settled share-based payments.

SHARE BASED PAYMENTS
In accordance with IFRS2 – 'Share based payments', a charge is made for all share –based payments including share options based upon the fair value of the instrument issued.
Under IFRS 2 the charge in the Profit and Loss Account for granted share options is based upon the fair value of the options at grant date and is charges over the expected vesting period. Estimates of leaver rates are taken into account over the vesting period. A charge has been recognised for all awards granted and is charged to the same expense category as the remuneration costs for the employee to whom the share award has been made. An equivalent amount is credited to the retained profit and loss reserve in the balance sheet, with no resulting impact on net assets.

SEGMENT REPORTING
A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns which are different from those of segments operating in other economic environments.

The directors consider that the group operated within a single business segment.

2 OTHER OPERATING INCOME

	2011	2010
	£	£
Sundry receipts	-	150
Government Grants	-	37,500
	-	37,650

3 OPERATING LOSS

	2011 £	2010 £
Operating profit is stated after charging/(crediting):		
Depreciation on tangible fixed assets	33,250	22,649
Operating lease rentals	14,056	14,056
Research and development	848,629	1,091,351
Auditors' remuneration – fee payable for audit of the company	6,000	6,000
Auditors' remuneration – fee payable for audit of the subsidiary company	6,000	6,000
Directors' remuneration	37,012	49,347

4 TAXATION

Analysis of the tax credit

The tax credit on the loss on ordinary activities for the year was as follows:

	2011 £	2010 £
Current tax		
UK corporation tax credits due on R&D expenditure	(74,220)	(65,510)
Adjustment to prior year	(691)	-
	(74,911)	(65,510)

Factors affecting the tax charge

The tax assessed for the years are lower than the applicable rate of corporation tax in the UK. The difference is explained below:

	2011 £'	2010 £
(Loss) on ordinary activities before tax	(1,724,136)	(1,802,639)
(Loss) on ordinary activities multiplied by the standard rate of tax in the UK (21%)	(362,069)	(378,554)
Effects of:		
Disallowed expenditure	79,408	52
Timing differences	2,983	(11,960)
Enhanced tax relief on R&D expenditure	(56,726)	(47,467)
Reduced tax relief for losses surrendered for R&D tax credits	37,110	32,755
Prior period refund	(691)	-
Unrelieved losses carried forward	225,074	339,664
Current tax credit	(74,911)	(65,510)

The Group has tax losses to carry forward against future profits of approximately £5,100,000 (2010: £4,360,000)

A deferred tax asset has not been recognised in respect of these losses as the Group does not anticipate sufficient taxable profits to arise in the foreseeable future to fully utilise them.

The estimated value of the deferred tax asset not recognised measured at a standard rate of 21% is £1,071,000 (2010: £915,600)

5 EARNINGS PER SHARE

The earnings per ordinary share has been calculated using the profit for the year and the weighted average number of ordinary shares in issue during the year as follows:

	2011	2010
	£	£
(Loss) for the year after taxation	(1,649,225)	(1,737,129)
	No.	No.
Basic weighted average of ordinary shares of 1p each	15,932,565	10,733,335
Basic earnings (pence per share)	(10.4)p	(16.2)p
Fully diluted earnings (pence per share)	(10.4)p	(16.2)p

As the Group is reporting a loss for both years then, in accordance with IAS33, the share options are not considered dilutive because the exercise of the share options would have the effect of reducing the loss per share.

6 STAFF COSTS

	2011	2010
	£	£
Directors' salaries	15,000	14,000
Wages and salaries	196,247	178,299
Social security costs	20,799	18,620
	232,046	210,919

	2011	2010
	No.	No.
The average monthly number of persons during the year was:		
Research employees	5	5
Other employees	1	1
	6	6

7 REMUNERATION OF KEY MANAGEMENT PERSONNEL

Professor L Durrant received salary of £5,000 (2010: £5,000); Dr RM Goodfellow received salary of £5,000 (2010: £5,000) and Mr N J Evans received salary of £5,000 (2010: £4,000). Details of consulting services provided by these directors are disclosed in note 18.

No other directors received any remuneration.

8 LOSS OF PARENT COMPANY

As permitted by section 408 of the Companies Act 2006, the profit and loss account of the parent company is not presented as part of these financial statements.

The parent company's loss for the financial year was £483,008 (2010: restated loss £293,916)

9 TANGIBLE FIXED ASSETS

GROUP	Computer Equipment £	Plant and machinery £	Total £
COST			
As at 1 May 2010	16,064	333,095	349,159
Additions	419	-	419
As at 30 April 2011	16,483	333,095	349,578
DEPRECIATION			
As at 1 May 2010	13,928	203,467	217,395
Charge for the year	843	32,407	33,250
As at 30 April 2011	14,771	235,874	250,645
NET BOOK VALUE			
At 30 April 2011	1,712	97,221	98,933
At 1 May 2010	2,136	129,628	131,764

10 GOODWILL

	£
At 30th April 2010	3,415,120
Additions	-
At 30th April 2011	3,415,120

The goodwill arose on the acquisition of the wholly owned subsidiary company, Scancell Limited. The Directors have carried out an impairment review of goodwill carried forward on the balance sheet and do not believe that an adjustments for impairment is necessary.

11 FIXED ASSET INVESTMENTS

COMPANY	Shares in Group Undertakings
Cost at 30th April 2010 and 30th April 2011	£4,561,829

The company's investment at the balance sheet date represents 100% of the ordinary share capital of its subsidiary company, Scancell Limited whose business is the discovery and development of treatments for cancer.

At 30th April 2011 the aggregate capital and reserves of Scancell Limited was £(2,150,349) (2010: £(984,132)) and its loss for the financial year was £1,166,217 (2010: Loss of £1,459,992)

12 TRADE AND OTHER RECEIVABLES

	GROUP		COMPANY	
	2011	2010	2011	2010
	£	£	£	£
CorporationTax	74,220	64,817		
VAT	11,907	45,202	462	2,156
Prepayments	46,720	12,617	16,044	9,600
	132,847	122,636	16,506	11,756
Amounts falling due after more than one year:				
Amounts owed by group undertakings	-	-	3,388,223	3,559,026
Aggregate amounts	132,847	122,636	3,404,729	3,570,782

13 TRADE AND OTHER PAYABLES

	2011	2010	2011	2010
	£	£	£	£
Trade creditors	80,844	364,127	14,010	62,963
Taxation and social security	-	-	-	-
Other creditors	40,943	87,660	27,361	68,542
	121,787	451,787	41,371	131,505

14 SHARE CAPITAL

	2011	2010
	No.	No.
Authorised share capital		
1p ordinary shares	20,000,000	20,000,000
Allotted, issued and fully paid		
1p ordinary shares	15,951,790	15,873,326
	£	£
Authorised share capital		
1p ordinary shares	200,000	200,000
Allotted, issued and fully paid		
1p ordinary shares	159,518	158,733

On 10 May 2010, the Company issued 53,333 new ordinary shares of 1p each for cash at a price of 45p per share pursuant to a placing related to satisfying advisory fees.

On 13th January 2011 the Company issued 25,131 new ordinary shares of 1p each for cash at a price of 95.5p per share pursuant to a placing related to satisfying advisory fees.

All shares rank pari passu with voting rights and entitlement to dividend.

15 MOVEMENT ON SHARE CAPITAL AND RESERVES

GROUP

	Share capital £	Share Premium Account £	Retained earnings £	Total Equity £
At 1st May 2010	158,733	8,321,808	(2,432,664)	6,047,877
(Loss) for the year			(1,649,225)	(1,649,225)
Share issue	785	47,215		48,000
Share option costs			189,090	189,090
At 30th April 2011	159,518	8,369,023	(3,892,799)	4,635,742

COMPANY

	Share capital £	Share Premium Account £	Retained earnings £	Total Equity £
At 1st May 2010	158,733	8,321,808	(301,823)	8,178,718
(Loss) for the year			(483,008)	(483,008)
Share issue	785	47,215		48,000
Share option costs			189,090	189,090
At 30th April 2010	159,518	8,369,023	(595,741)	7,932,800

16 SHARE OPTIONS

The Group has granted options to members of staff

Share Scheme	Grant Date	Option Price	Number of shares	Period within which options are exercisable From	To
EMI	02.12.08	50p	29,000	02.12.11	02.12.18
	02.12.08	313p	12,000	02.12.11	02.12.18
	02.01.09	60p	14,500	02.01.12	01.01.19
	13.07.10	45p	673,000	02.12.11	31.12.15

The market price of the shares at 30th April 2011 was 72.5 and the range during the year was 72.5p to 101.5p Options may normally be exercised in whole or in part within the period of three to ten years after the date of the grant.

Further unapproved shares were issued as follows:

Share Scheme	Grant Date	Option Price	Number of shares	Period within which options are exercisable From	To
Unapproved	02.04.09	25p	5,864	02.04.12	02.04.19
	01.12.08	60p	304,000	02.12.11	02.12.18
	29.06.10	45p	159,231	29.06.10	29.06.15
	29.06.10	45p	318,462	30.09.11	30.09.16
	29.06.10	45p	318,463	28.02.13	28.02.18
	02.12.08	94p	2,932	02.04.12	02.04.19

At 30 April 2011 the following options are held by directors of the company:

	Options 01.05.10	Options Granted	Options 30.04.11	Exercise price	Date first exercisable	Expiry date
EMI Scheme						
L Durrant	-	385,000	385,000	45p	02.12.11	31.12.15
R Goodfellow	-	288,000	288,000	45p	02.12.11	31.12.15
Unapproved						
D Evans	304,000	-	304,000	60p	02.12.11	02.12.18

The weighted average exercise prices over the year were as follows

	Number	Weighted Average Exercise Price
Enterprise Management Scheme		
Number of options outstanding at 1 May 2010	55,500	109p
Granted in the year	673,000	45p
Number of options outstanding at 30 April 2011	728,500	50p
Exercisable at 30th April 2011	-	-
Unapproved Scheme		
Number of options outstanding at 1 May 2010	312,796	60p
Granted in the year	796,156	45p
Number of options outstanding at 30 April 2011	1,108,952	49p
Exercisable at 30th April 2011	-	-

SHARE OPTIONS (continued)

Within the unapproved options are those granted to ICHOR Medical Systems Inc ("ICHOR") pursuant to the License and Supply Agreement ('the Agreement') dated 13 July 2009. Under the terms of the Agreement, ICHOR agreed to supply its TriGrid™ electroporation device for Scancell's pre-clinical and forthcoming clinical studies with SCIB1 and gave Scancell an option to license TriGrid™ for commercial use on achievement of certain milestones and payment of royalties. In return, ICHOR was granted options to subscribe for ordinary shares in the Company. The options have been granted at 45p per share and vest as follows.

159,231	on regulatory approval being granted to start clinical trials in the UK
318,462	on commencement of first Phase II clinical trial
318,463	on completion of first Phase II clinical trial

Each tranche of the options may be exercised at any time in the five year period after the relevant vesting date.

17 SHARE BASED PAYMENTS

The Group operates a number of share based incentive schemes as detailed in note 16 above. The fair value of the award granted and the assumptions used in the calculations are as follows:

Date of Grant	Type of Award	Number of Awards	Exercise Price	Share price at grant date	Fair v alue per option
2 December 2008	EMI	29,000	50p	58p	33p
2 December 2008	EMI	12,000	313p	58p	2p
2 December 2008	Unapproved	304,000	60p	58p	33p
2 January 2009	EMI	14,500	60p	58p	33p
2 April 2009	Unapproved	5,864	25p	40p	27p
2 April 2009	Unapproved	2,932	94p	40p	15p
29 June 2010	Unapproved	796,156	45p	60p	22p
14 July 2010	EMI	673,000	45p	62.5p	21p

A description of the key assumptions used in calculating the share-based payments follows.

1. The Black-Scholes valuation methodology was used.
2. The expected volatility is based upon historical volatility over a period of time and amounted to 10.2%
3. The expected life used in the model varies between two and five years and is based upon management's best estimate for the effects of non-transferability, exercise restrictions and behavioural considerations.
4. The risk free rate is based upon the prevailing UK bank base rate at grant date.
5. Expected dividend yield is nil.

18 RELATED PARTY TRANSACTIONS

GROUP

During the year, the following directors provided consultancy services to the company as follows:

	2011	2010
Professor L Durrant	£60,160	£50,165
Mr D Evans	£15,000	£21,667
Mr N.J. Evans	£7,161	£12,451
Dr R.M Goodfellow	£55,654	£58,874
Mr T M Rippon	£7,012	£2,888

At the end of the year the following balances were outstanding

	2011	2010
Professor L Durrant	£12,036	£nil
Mr D Evans	£7,500	£41,313
Mr N.J. Evans	£nil	£3,000
Dr R.M Goodfellow	£6,563	£6,398
Mr T M Rippon	-	£2,888

All of the above transactions were conducted under normal commercial terms.

Professor L Durrant, Mr NJ Evans and Dr R M Goodfellow provided their consultancy through limited companies.

In addition to the above Mr D Evans was paid commission of £nil (2010: £13,680) for partly underwriting the placement of shares.

COMPANY

In addition to the above Scancell Holdings plc has a current account with its subsidiary company, Scancell Limited. At the year end the balance owing to Scancell Holdings plc amounted to £3,388,223 (2010: £3,559,026).

19 RECONCILIATION OF OPERATING LOSS TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	2011	2010
	£	£
Operating Loss	(1,733,749)	(1,805,066)
Share option costs	189,090	64,012
Depreciation charge	33,250	22,649
Government Grants	-	(37,500)
(Increase)/decrease in accounts receivable	(812)	18,817
(Decrease)/Increase in accounts payable	(330,000)	232,696
Net cash outflow from operating activities	(1,842,219)	(1,504,392)

20 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2011	2010
	£	£
Returns on investment and servicing of finance		
Interest received	9,613	2,427
Net cash inflow for returns on investment and servicing of finance	9,613	2,427
Purchase of tangible fixed assets	(419)	(72,148)
Financing		
Share issue	48,000	2,519,040
Grant received	-	175,771
	48,000	2,694,811

21 FINANCIAL INSTRUMENTS

The numeric disclosures in this note deal with financial assets and liabilities as defined in IFRS7 "Derivatives and other financial instruments".
As permitted by IFRS 7, short-term debtors and creditors have been excluded from the disclosures. Certain financial assets such as investments in subsidiary companies are also excluded from the scope of these disclosures.

Liquidity risk
The Group's objective is to maintain a balance between continuity and flexibility of funding through the use of borrowings and financial assets with a range of maturities.

Interest rate profile
The company has no financial assets other than sterling current account balances of £1,110,630 (2010: £2,830,145) which are instantly available funds attracting variable rates of interest.

Maturity of financial liabilities
All of the Company's financial liabilities as at 30 April 2011 are payable within less than one year.

Fair values
There is no material difference between the book value and the fair value of the Group's financial assets or liabilities.

Market price
Group funds are held in accounts with the objective of maintaining a balance between accessibility of funds and competitive rates of return.

Currency exposure
Historically the Company has not used derivative instruments to hedge against possible risks arising from fluctuations in foreign currency exchange rates as the exposure is limited. If foreign currency exposure increases, the use of foreign currency hedging instruments will be reviewed as a means of reducing the effect of exchange rate fluctuations on the Group's results.

The Group's financial instruments comprise cash and cash equivalents, borrowings and items such as trade payables which arise directly from its operations. The main purpose of these financial instruments is to provide finance for the Group's operations.

Financial instruments

Group

	2011 £	2010 £
Financial assets		
Cash and cash equivalents	1,110,630	2,830,145
Trade and other receivables	132,846	122,636
Financial liabilities		
Trade and other payables	(121,787)	(399,427)

Company

	2011 £	2010 £
Financial assets		
Cash and cash equivalents	7,613	177,612
Trade and other receivables	16,507	11,756
Financial liabilities		
Trade and other payables	41,371	77,145

The carrying amounts are equal to the fair value therefore no impairment is required.

22 OPERATING LEASE COMMITMENTS

The following operating lease are committed to be paid within one year.

	Land and buildings 2011 £	Land and buildings 2010 £
Within one year	-	-
Within one and five years	-	-

23 CONTINGENT ASSETS

Under an agreement dated 1st December 2006 the company sold its pre-clinical pipeline of cell killing monoclonal antibodies to Peptech (UK) Limited (now Cephalon Inc) for an initial consideration of £2,000,000 with a further amount of £2,850,000 payable if certain performance criteria are achieved. Payment of this amount is conditional upon the antibodies reaching certain performance criteria within a period of five years from the date of completion of the sale. The likelihood of this further amount being received is uncertain and the financial statements do not reflect any amounts that may be due in the future.

Under an Executive Incentivisation package, three directors would be entitled to receive gross bonuses calculated at 12% in total of any additional consideration payable under this agreement, less associated costs, up to a maximum of £293,000

24 GOING CONCERN

The Directors have reviewed the funding position for the forward period and considered the viability of business plans and budgets. These show that currently available cash resources will be sufficient to enable the group to meet its commitments until around November 2011 based on budgeted expenditure.

Scancell Holdings plc is planning to raise additional funds of approximately £1.52m, net of costs, by means of a placing of shares on the AIM market. The Directors consider that these funds will provide sufficient working capital, to take the Company through to completion of the Phase I trials of its therapeutic vaccine for melanoma. The placing of shares is subject to receiving approval from Scancell Holdings plc members. It is anticipated that, subject to shareholder approval, the placing will take place at the end of July 2011.

The Directors consider that on the basis of the planned funding being received the Company will be able to meet all of its obligations until at least July 2012. Accordingly the directors consider that the going concern basis is appropriate for the preparation of these financial statements.